

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-35384
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Dugan Production Corp.		6. State Oil & Gas Lease No. VO 8066
3. Address of Operator 709 East Murray Drive, Farmington, New Mexico 87401		7. Lease Name or Unit Agreement Name Kinbeto 16
4. Well Location Unit Letter <u>L</u> : <u>1955</u> feet from the <u>South</u> line and <u>840</u> feet from the <u>West</u> line Section <u>16</u> Township <u>23N</u> Range <u>10W</u> NMPM San Juan County		8. Well Number <u>3</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6583' GR		9. OGRID Number 06515
		10. Pool name or Wildcat Basin Fruitland Coal

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: Construct water and gas pipeline ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Operator proposes to construct produced water and gas transportation pipelines from the subject well to a centralized water collection and disposal system and a gas compression and sales system. Detailed drawings of the proposed pipeline are attached. The pipelines will be 4,917.6-ft. in length and buried in the same trench. The portion of pipeline that is "on-lease", and is on State surface is 3,397.5-ft. in length and the portion that is "off-lease" is on Federal surface and is 1,520.0-ft. in length. Right-of-way applications have been submitted for that portion of pipeline that is on Federal surface. Construction will begin when all necessary permits have been approved.

OIL CONS. DIV DIST. 3

JUN 20 2016

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kurt Fagrelis TITLE Vice President DATE 6/15/2016

Type or print name Kurt Fagrelis E-mail address: kfagrelis@duganproduction.com PHONE: 505-325-1821

For State Use Only

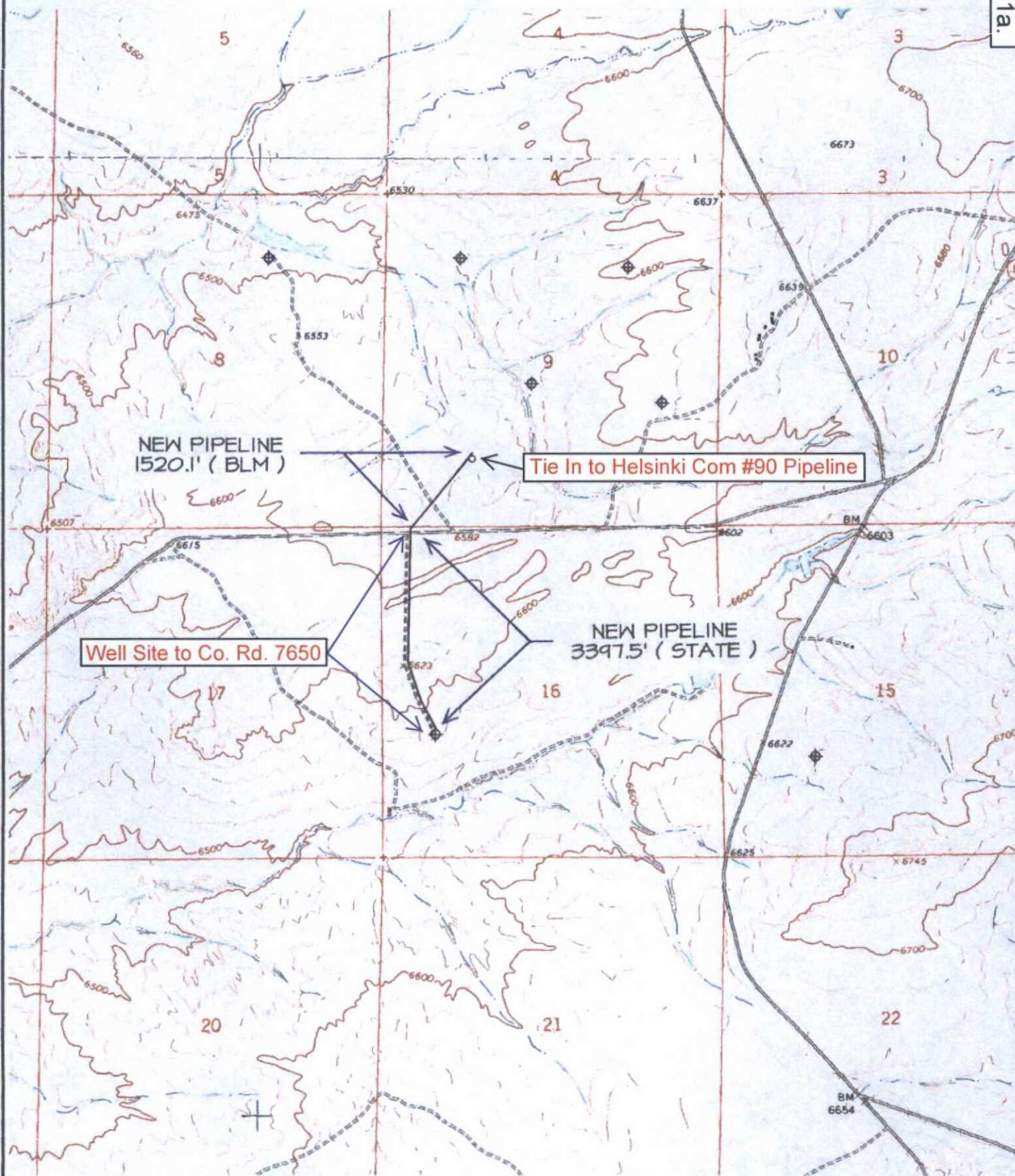
APPROVED BY: Accepted For Record TITLE 6P DATE 6P

Conditions of Approval (if any):

6
KC

DUGAN PRODUCTION CORPORATION KIMBETO 16 #3

LOCATED IN S/2 SW/4 SECTION 9, T23N, R10W, W/2 NW/4
& NW/4 SW/4 SECTION 16, T23N, R10W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



TOPO NAME : PUEBLO BONITO NW

⬢ PRODUCING WELL ⊗ PLUGGED & ABANDONED WELL

EXHIBIT 1b.



BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT.

BASIS OF BEARING

1942 GLO
BRASS CAP

PLAT NOTE

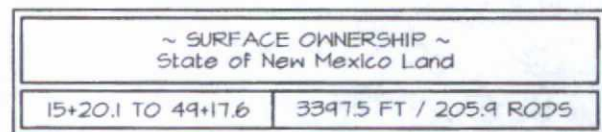
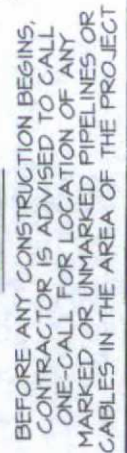
~ SURFACE OWNERSHIP ~ Bureau of Land Management	
0+00 TO 15+20.1	1520.1 FT / 92.1 RODS

SURVEYS, INC.

Business Address:
111 East Pinon Street
Farmington, NM 87402
(505) 486-1695 (Office)
noesurveys@gwestoffice.net

SHEET 2 OF 5	CHECKED BY: JCE
FILENAME: 231036PH	DRAWN BY: JCE

EXHIBIT 1c.



SHEET 3 OF 5	CHECKED BY: JOE
FILENAME: 23101662	DRAWN BY: SLE

May 16, 2016

**NEW MEXICO STATE APPLICATION
DUGAN PRODUCTION CORPORATION KIMBETO 16 #3
W/2 NW/4 & NW/4 SW/4 OF SECTION 16
TOWNSHIP 23 NORTH, RANGE 10 WEST, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO**

A strip of land 30 feet wide across a portion of Section 16, Township 23 North, Range 10 West, N.M.P.M., San Juan County, New Mexico being 15 feet on both sides and perpendicular to the following described centerline:

Commencing at the North-West Section Corner of said Section 16, thence N89°53'38"E a distance of 485.05 feet to the "true point-of-beginning" for this description:

Thence S39°00'50"W a distance of 60.62 feet to a point;

Thence S00°46'24"W a distance of 1263.80 feet to a point on the 1/16th section line;

Thence S00°46'24"W a distance of 837.02 feet to a point;

Thence S19°41'21"E a distance of 502.79 feet to a point on the 1/4 section line;

Thence S19°41'21"E a distance of 187.18 feet to a point;

Thence S28°52'39"E a distance of 243.60 feet to a point;

Thence S28°47'39"E a distance of 205.26 feet to a point;

Thence S01°57'10"W a distance of 97.27 feet to the "true point-of-ending" for this description from whence the South-West Section Corner of said Section 16 bears S22°56'11"W a distance of 2123.47 feet.

The above described strip of land totals 3397.54 feet or 205.912 rods in length, contains 2.340 acres more or less, and is allocated by 40-acre tracts as follows:

Section 16	NW/4 NW/4	1324.42 Feet	80.268 Rods	0.912 Acre(s)
	SW/4 NW/4	1339.81 Feet	81.201 Rods	0.923 Acre(s)
	NW/4 SW/4	733.31 Feet	44.443 Rods	0.505 Acre(s)
	Total	3397.54 Feet	205.912 Rods	2.340 Acre(s)

BASIS OF BEARING: REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON MARCH 19, 2016 FROM A REFERENCE STATION POSITIONED IN THE SW/4 NW/4 SECTION 3, T23N, R10W, SAN JUAN COUNTY, NEW MEXICO.

SURVEYOR'S CERTIFICATION

I, JASON C. EDWARDS, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15269, DO HEREBY CERTIFY THAT THIS SURVEY DESCRIPTION AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT.

JASON C. EDWARDS

JASON C. EDWARDS, NEW MEXICO LS #15269

REFERENCE DRAWING: 231016G2

